



CHINA NAVIGATION

Statement on Modern Slavery and Human Trafficking (2017)

This is the second annual Modern Slavery (MS) Statement to be published by The China Navigation (CNCo)¹ Group, for the financial year ending December 31st 2017; [see here for our 2016 statement](#).

CNCo takes its obligations under the United Kingdom Modern Slavery Act (2015) very seriously and is committed to ensure that there is no modern slavery in our supply chains or in any part of our business. Accordingly, CNCo has put in place a number of compliance processes to prevent, detect and eradicate any incidences of modern slavery, including:

- Conducting modern slavery risk assessments within all of its businesses globally;
- Using this risk assessment data to identify priorities and develop actions for the detection and prevention of forced labour across the Group;
- Audits of third party suppliers and contractors;
- Providing best practice training for our management teams most likely to encounter potential issues with regard to modern slavery;
- Implementation of a Whistleblowing channel;
- The audit of Modern Slavery policy compliance policies in our internal audit risk cycle.

Sustainability and values

CNCo's Modern Slavery compliance policy is wholly aligned with CNCo's wider commitment to running all of its businesses in an ethical and sustainable manner. CNCo is committed to comply with all applicable national labour laws and the International Labour Organization (ILO) conventions.

The CNCo [Supplier Sustainability Code of Conduct](#), which is part of our [Corporate Code of Conduct](#), contains guidance relating to our employment practices, as well as clear prohibitions against the use of bonded, child, coerced, forced, indentured or involuntary labour in any form. We require our suppliers to comply with these policies.

The CNCo Group will not tolerate the practice of modern slavery in any form and is committed to continue to work with all of its stakeholders and relevant regulators to combat this issue, wherever it may become aware of it.



CHINA NAVIGATION

Our actions in the last financial year

We have reviewed our processes and augmented them whenever required. In 2017 we undertook the following actions to further mitigate forced labour risks:

- **Governance**

We formalised our Modern Slavery Act Compliance framework and developed a Risk-based Assessment process for our material global suppliers. Based on this, we prioritised assessments for the detection and management of forced labour in our supply chain.

We were audited internally against our Modern Slavery initiatives and graded that “the control environment is Acceptable as the control system has been substantially developed and working effectively where implemented”. Any outstanding areas are being addressed.

- **Training**

We provided essential training to our management teams most likely to encounter potential issues with regard to modern slavery in line with best international practices. We also worked to raise the Modern Slavery awareness of our sea and shore employees.

- **Assessments**

We carried out a number of self-assessments for higher risk suppliers. These assessments gave us an insight into the state of supplier maturity against MS areas and allowed us to propose improvements to strengthen their governance systems. No non conformities were recorded.

Looking ahead

Broadly, we will focus on the following areas over the next financial year:

- **Governance**

We will continue reviewing and strengthening our policies and procedures to ensure they appropriately address modern slavery risks within our operations and our supply chain. We will aim to include the appropriate contractual clauses related to slavery and human trafficking in all our new supplier agreements and we will be working through our existing contracts to also incorporate these.



CHINA NAVIGATION

- **Training**

We will continue to run training programmes for both existing shore and sea staff, and for new joiners as part of their induction training, that are relevant and appropriate to their roles and responsibilities.

- **Assessments**

We will conduct site visits as a key component of our on-going programme.

Overall, we will continue to ensure that ethical trading stays at the forefront of how we conduct our business and that human rights and labour standards considerations, including those relating to forced labour, remain fully embedded within our practices.

This statement has been approved by:

James Woodrow

Managing Director

on behalf of The China Navigation Company Board

¹ References to “**The China Navigation Company Ltd**” or “**CNCo**” in this Policy include Swire Bulk, Swire Bulk Logistics, Swire Shipping, Swire Shipping Agencies and/or, as the context may require, any of their respective subsidiaries or group companies.